



Development *Alternatives*, Inc.

7250 Woodmont Avenue, Suite 200, Bethesda, Maryland 20814 USA

Tel: (301) 718-8699 Fax: (301) 718-7968 Email: info@dai.com Website: www.dai.com

EAST TIMOR

**Final Project Report for the Period:
November 1, 1999 – November 30, 2001**

SWIFT



Indonesia and East Timor
Office of Transition Initiatives
Contract #AOT-I-00-98-00199-00

ACRONYMS

AusAid	Australian Agency for International Development
BELE	Building Empowerment, Leadership and Engagement
CDIE	Center for Development Information and Evaluation
CEP	Community Empowerment and Local Governance Project
CNRT	National Council of Timorese Resistance
DAI	Development Alternatives Incorporated
ETPA	East Timor Public Administration
ETTA	East Timor Transitional Administration
GPA	Governance and Public Administration
INTERFET	International Force in East Timor
IOM	International Organization for Migration
NCC	National Consultative Council
NGO	Non-governmental Organization
OTI	Office of Transition Initiatives
SWIFT	Support Which Implements Fast Transition
TEP	Transitional Employment Program
TEPS II	Transitional Engagement for Population Support
TLJA	Timor Lorosae Journalists Association
UNESCO	United Nations Education, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNTAET	United Nations Transitional Administration in East Timor
USAID	United States Agency for International Development

TABLE OF CONTENTS

Preface	2
Introduction	3
I. Background	4
II. USAID/OTI/DAI Program Overview	6
1. Employment and Community Stabilization Programs	7
<i>Transitional Employment Program (TEP)</i>	7
<i>Transitional Engagement for Population Support (TEPS II) and Building Empowerment, Leadership, and Engagement (BELE) Programs</i>	8
2. Civil Society Program	10
3. Media Program	13
4. Summary of Political Transition Grants	16
III. Grants Implementation	17
Grant Development Process	17
Grant Procurement and Delivery System	17
IV. Lessons Learned	17
 Appendices	
I. Grants by number, approval date, and amounts	
II. Grants Awarded by Quarter – Number	
III. Grants Awarded by Quarter – Amounts	
IV. Grant Disbursements by Quarter – Amounts	

PREFACE

In November 1999, the Office of Transition Initiatives (OTI) put in place an East Timor program, only weeks after Australian INTERFET troops had brought an end to the massive violence following the UN-administered referendum vote for independence. The referendum ended 25 years of Indonesian occupation of East Timor, but the cost of independence was dear. A violent reaction by pro-Indonesia East Timorese militia, aided by logistics support from the Indonesia army, left between 1,000 and 2,000 people dead and over seventy percent of East Timor's buildings destroyed. Militia and army personnel looted moveable public and private property and laid waste to communications and commercial infrastructure. An estimated 500,000 East Timorese fled for safety to the mountainous interior of the country or to West Timor.

By late October the violence had ended, leaving East Timor devastated. Throughout the country, the departed militia had left a chilling message on walls of burnt out buildings. The message read "a free East Timor will eat stones." Stones but little else were left in the cities and countryside after the militia departed. . It was clear that the effort to help East Timor recover had to be rapid and sure.

As the East Timorese returned to destroyed cities and villages, they looked to the international community for assistance. The emergency response was strong; relief efforts quickly allayed the risk of starvation. Recovery efforts, however, remained stalled. The UN and multilateral donors arrived early, but it was soon made obvious that they would not receive the kind of funding they needed for several months. These organizations did not have the kind of rapid response mechanisms for post-conflict recovery that East Timor needed.. From November of 1999 through February of 2000, and even later, the East Timorese waited for the commencement of significant and visible efforts their communities. .

In this context OTI launched the East Timor Transition Initiative, using the implementation services of Development Alternatives Inc. (DAI). Transition assistance was delivered rapidly and in substantial amounts, targeted initially to human rights and media groups but immediately afterwards to large community infrastructure and employment projects. In a highly collaborative fashion, OTI engaged the participation of the UN, East Timor community organizations, and NGOs in planning and implementation. The East Timor Transition Initiative delivered, during the first four months of activity, 39 grants valued at \$1,796,685. By the end of June 2000, these numbers had grown to an impressive 97 grants and \$5,351,116 dollars, the impact of which was felt in all areas and all social and economic sectors of the country.

INTRODUCTION

The Office of Transition Initiatives (OTI) program was initiated in East Timor in November 1999 after the devastating violence following the August 30, 1999, UN-administered referendum for the independence of East Timor from Indonesia. The referendum ended Indonesia's unilateral occupation of East Timor dating from 1975. The Indonesian-backed militia in East Timor, aided by the Indonesian army, reacted to the vote by killing between 1,000 and 2,000 people, destroying much of East Timor's infrastructure, burning 70 percent of the capital city of Dili, looting personal and public property, laying civil and economic life to waste. More than 65 percent—approximately 500,000 people—of the indigenous East Timorese fled to the mountains or across the border to West Timor. An Australian-led intervention force arrived in September 1999 to restore order. Shortly thereafter, the interim government, – the United Nations Transition Administration for East Timor (UNTAET), was established.

Recovery was hindered because Indonesians had held many skilled positions in the country and had departed with or before the violence. In the wake of the conflict, East Timor was left with a seriously weakened infrastructure, impaired management capability, and limited capacity for repair and reconstruction. In the face of such devastation, OTI joined forces with UNTAET, setting up programs to promote political and economic development during the transition to independence. Principal OTI activities included transitional employment, community stabilization, and support for the media and civil society organizations.

OTI launched its East Timor program rapidly with implementation support from Development Alternatives Incorporated (DAI) - SWIFT staff in Jakarta. DAI provided programming and general administrative support for all operations. The majority of the assistance for East Timor was provided in kind, with DAI procuring goods, equipment, and services and granting them to local NGOs and community-based groups. Off-shore procurement operations were established, especially importing equipment and construction materials.

Moving quickly with procurement for reconstruction activities was important for political and economic reasons. Donor commitments to provide substantial resources had raised expectations of quick action among the East Timorese. While other donors lagged in delivery of concrete assistance, OTI's ability to step in and begin activity, exemplified by 39 quick impact grants during the first four months quickly filled the gap. These initiatives helped prevent instability during the interim period. Most of the initial grants and funding were programmed for human rights groups, civil society organizations, media, and community stabilization programs.

I. BACKGROUND

Following is a sequence of important events that shaped East Timor's recent history. This timeline focuses primarily on political events marking East Timor's road to nationhood, shortly after UNTAET established its working administrative units in all of the 13 districts. Events that provide information on social and economic conditions, are also included. The general history depicted in this timeline provides the context for a discussion regarding the program activities implemented by the OTI – SWIFT programs.

The events in the detailed timeline below spanning from early 2000 through the end of 2001 can be characterized by several major trends. Although some refugees remained in West Timor, large numbers gradually returned to East Timor to regain their homes. These population movements also saw militia activity and marked several violent incursions into East Timor.

During the years 2000-2001, a functioning government was assembled. In collaboration with the UN administration, a Timorese government was progressively put in place as witnessed by the popular election of a Constituent Assembly, the establishment of a Council of Ministers, and the registration of political parties. A civil service was also formalized. The Constituent Assembly had prepared a draft of the constitution by the end of 2001.

These trends demonstrate the important challenges faced by OTI in providing assistance to East Timor as the country worked to 1) address the problems faced by large numbers of returnees; 2) find solutions to a damaged economy, civil unrest and continued violence from militia groups; and 3) engage in emerging opportunities as the country established a new government.

Following is a chronological list of specific events aimed to provide detailed information on the above listed trends.

As of March 24, 2000, the UN High Commissioner for Refugees (UNHCR) and the International Organization of Migration (IOM) reported that approximately 155,000 refugees had returned to East Timor with more than 100,000 still in West Timor, Indonesia. High rates of unemployment continued to plague East Timor.

A fight in the Dili stadium on April 30 that left five people injured was the worst case of civil unrest since UNTAET began to administer East Timor. This incident reflected the tensions that continued to divide East Timor despite the working administrative structure established by UNTAET.

In July 2000 the National Consultative Council (NCC) passed legislation that replaced the NCC with a thirty-three member National Council comprised wholly of Timorese from the political, religious and private sectors. A national government was in the process of being established.

In August 2000, UNTAET's pillar of Governance and Public Administration (GPA) no longer existed; its functions shifted to a more representative structure called the East Timor Transitional Administration (ETTA).

September 2000 saw militia movements in the East Timor districts of Ainaro, Same and Suai, and over 2,600 people fled their homes. Three UNHCR staff were killed in Atambua. East Timor was still experiencing conflict linked to the political issues that caused the post referendum violence over a year earlier.

In October 2000, the new thirty-six member National Council (NC) was sworn in and by the end of October it was meeting regularly

Progress was made in November 2000 to build a long-term government administrative structure with the first 6,000 East Timorese hired as permanent civil servants

In December 2000 there was militia activity along the East and West Timor border, lead to four separate incidents that left two PKF soldiers wounded and two militia members dead. 1,200 refugees returned from West Timor.

UN Security Council voted in January 2001 to extend the UNTAET mandate to December 31, 2001.

The first trials for serious crimes committed after the August 1999 referendum opened in January and a first sentence was passed in February 2001.

In March 2001, over 2,715 refugees returned from West Timor, the highest number of returns since July 2000. During the same month, the NC approved legislation entitled "The Regulation on the Election of the Constituent Assembly to Prepare a Constitution for an Independent and Democratic East Timor" stating that there would be a vote for an 88-member Constituent Assembly following a system in which the 13 districts would elect one representative on a majority basis and the remaining 75 members on a proportional basis.

During the month of May 2001, political parties began to register with the Independent Electoral Commission and by May 31 ten parties had submitted applications.

The civil registration process was completed on June 23, 2001. Ninety three percent (93%) of the estimated population (738,000) registered. The Independent Electoral Commission prepared the electoral rolls for the August 30 elections based on this data. Sixteen political parties submitted their candidate lists by the June 27 deadline.

UNTAET-sponsored Constitutional Commissions began public hearings in the districts on June 18, and ran through mid-July. The hearings were aimed at soliciting the views of East Timorese on future considerations to be made by the future Constituent Assembly when drafting the Constitution.

As of the end of July 2001, the Independent Electoral Commission accredited four International Observer Groups and eight National Observer Groups. Approximately 200 International Observers and 800 National Observers served as observers.

In August 2001, two years after East Timorese voted for independence, 91% of eligible voters participated on August 30 in the elections for the territory's first Constituent Assembly. The elections resulted in a Constituent Assembly composed of 88 members, which were responsible for adopting a constitution.

On September 20, 2001, the new all-Timorese Council of Ministers, which replaced the East Timor Transitional Cabinet, was sworn in. Some movement toward the long awaited upturn in refugee returns from West Timor also began in September. Approximately 1,700 people returned from camps in West Timor, linked to Xanana Gusmão's and UNTAET's discussions with pro-autonomy refugee leaders and former militia leaders.

On October 15, 2001, the four thematic committees established by the Constituent Assembly to study and draft chapters of the Constitution began meeting in separate sessions. The committees organized some public hearings at which Timorese, international experts, and organizations were invited to present statements addressing specific topics. The UN Security Council formally endorsed a recommendation of East Timor's Constituent Assembly to declare independence on May 20, 2002.

Also during the month of October 2001, over 3,200 refugees returned to East Timor.

On November 28, 2001, the Constituent Assembly's Systematization and Harmonization Committee (SHC) officially handed over the draft constitution to the Constituent Assembly president. The first downsizing of the peacekeeping force began. A company of 264 Kenyan peacekeepers departed East Timor, and were not replaced by a new company.

In December 2001, the East Timor Public Administration (ETPA) presented a three-year budget with a cumulative external financing need of \$154 million to \$184 million. The Special Panel for Serious Crimes delivered verdicts in East Timor's first crimes against humanity trial, known as the "Los Palos case." Representatives of East Timor and Phillips Petroleum continued negotiations on a tax and fiscal package that when finalized, will allow the gas phase of the Bayu-Undan development in the Timor Sea to proceed.

II. PROGRAM OVERVIEW

OTI's overall program had three focus areas: the employment and community stabilization programs; the civil society program; and the media program. The employment and community stabilization programs addressed (a) East Timor's acute need to revitalize the local economy through the infusion of desperately needed income used to pay for labor on community projects and (b) the rehabilitation of critical infrastructure that suffered from Indonesian army and militia campaigns to destroy public

facilities in August and September of 1999. The civil society program aimed at providing support to local organizations who had also been devastated by the destruction of many of their offices and facilities and who had been operating under a repressive centrally controlled Indonesian government where funding for their activities was very difficult to obtain. The last major focus area was support to the media. Under the previous Indonesian government, the media was state controlled and media outlets were limited in diversity and breadth. The media program's goal was to increase the number of sources of objective information available to the public through credible media outlets. The following sections describe the types of support provided by OTI in the three major focus areas.

II.1. EMPLOYMENT AND COMMUNITY STABILIZATION PROGRAMS

Transitional Employment Program

In March 2000, OTI planned the Transitional Employment Program (TEP), a six-month program designed to provide funds to the district administrations projects to undertake public works projects as a means of providing employment, as a stop-gap measure until larger multilateral donor programs could be put in place. These activities were planned as a response to high and growing unemployment (estimated at 80 percent) and increased civil unrest. With an estimated 76% of the population living in rural areas, the program needed to reach well beyond major cities and towns. TEP financed salaries, materials, equipment, and tools for projects, such as emergency road repair, reconstruction of schools and markets, rehabilitation of irrigation systems, revitalization of sports facilities, and income-generating activities. The program employed more than 60,000 East Timorese.

A visit from an evaluation team from USAID – CDIE in September of 2000, found widespread agreement among embassy and USAID leadership, other donors, district administrators, and UNTAET officials that TEP had major positive effects, jump starting the process of engaging the East Timorese in meaningful public works efforts in all 13 districts and in rebuilding their country in the aftermath of the conflict. (*Center for Development Information and Evaluation: "The Role of Transition Assistance: The Case of East Timor", November 2001*)

Several interviewees specifically mentioned the drain-clearing and general cleanup efforts as important and useful activities, particularly in the maintenance of East Timor's fragile road system. The program injected liquidity into the communities where assets were severely depleted. In addition, the program boosted morale by reactivating community effort. Representatives from UNTAET, other donors, and local organizations confirmed OTI's ability to start up and procure materials rapidly—far more rapidly than other funding organizations. Funding for TEP totaled \$4,417,513 in grants for equipment, supplies provided in-kind, and wages. The resources were relatively equally distributed across all thirteen districts. Projects included rebuilding of community buildings, cleaning out urban drainage systems, repairing roads, and other infrastructure

rehabilitation. An additional bi-product of the project was the introduction of East Timor's new official currency, the US dollar, particularly to communities outside Dili.

Transitional Engagement for Population Support (TEPS II) and Building Empowerment, Leadership and Engagement (BELE) Programs

OTI implemented a follow-on program—the Transitional Engagement for Population Support (TEPS II) from September through November 2000. Its purpose was to strengthen local governance and community empowerment by partnering with local institutions to identify and rehabilitate priority basic infrastructure and to restart economic activities. This program was to complement other donor efforts at the district level, planning small-scale interventions, mainly through in-kind assistance with limited cash support. The program also addressed how equipment maintenance would be handled, a concern not addressed in the earlier, emergency-like TEP program. OTI's approach and involvement were flexible, designed for phase out as other donor funds became available.

In late December 2000 OTI gave start-up funds to a carpentry shop in Ainaro District. In tandem with management support provided by an AusAID technical consultant, funding for tools was given by OTI under the TEPS II program as an income generation scheme for the approximately 25 carpenters associated with the shop. In late February the shop won a bid from the World Bank to build 100 sets of furniture for district schools.

A third phase of OTI support included the community stabilization program Building Empowerment, Leadership and Engagement (BELE). Implemented over a 15-month period, TEPS II and BELE programs focused on community participation in identifying, implementing and completing sub-projects based on small grants. A hallmark of these activities was an explicit community contribution to activities, including unskilled labor and/or materials, since wages for such labor, in principle, were not paid. TEPS II funded 60 small projects valued at \$644,000, including community building restoration, road repair, irrigation systems, small-scale clean water systems, and in-kind support for income-producing cooperatives or groupings. BELE's focus has been to restore and enhance the social and productive asset base of rural men, women and youth and strengthen local governance structures through community engagement. It funded 87 activities at \$2,051,398 between April-December 2001.

Activity group members, vendors and community members described markets in the most positive terms. A vendor in Laclubar reported, "The market was especially helpful to older vegetable and fruit vendors on very hot days, both for protecting themselves from the sun, but also their produce."

From January 5-23, 2002, an assessment was done on the TEPS II and BELE projects. The assessment objective was to determine how well grants helped communities to 1) establish priorities in responding to perceived critical needs; 2) participate and mobilize members' efforts through project completion; 3) contribute to their own durable recovery; and 4) create impact that members perceive as positive. The assessment team found the TEPS II and BELE small grants activities to have generally succeeded in breaking some bottlenecks and filling critical gaps in the functioning of selected

communities in a transitioning East Timor society. These activities have served a number of communities in helping them return to a more “normal” life and have provided important lessons to a number of selected communities, as well as, we trust, to the donor community. These lessons are about the process of beginning to help communities to become responsible for their own destinies, about a community mobilizing its own human resources, and about their proving to themselves that they can in fact bring improvements to their own lives, without depending wholly on someone else’s bounty. In particular, grants in agriculture (including some agro-processing activities), schools, markets, and water and sanitation, responded to perceived critical needs and have mobilized people’s efforts.

“Before we spent much of our time repairing the canal because all it took was a big rain to destroy it. Now we do not lose so much time and can do more work cultivating and transplanting our rice fields.”
BELE irrigation canal project beneficiary.

Some key recommendations made by the assessment team included:

- 1) Efforts to fill gaps and build community empowerment should be continued, with greater focus on long-term developmental goals.
- 2) Transition grant programs should attempt to build in a local partnership regardless of whether or not there is a local government entity. In a case such as East Timor, more effort should be made to identify and involve local partners.
- 3) A narrowing down of the number of sectors addressed by grants might be considered as a management option.
- 4) Program considerations should be given priority over procurement considerations if they result in a more dependable input.
- 5) Development of economic infrastructure in East Timor will be dependent on strong local democratic government institutions. Therefore, any strategy to address gaps in the economic infrastructure needs also to support the development of such locally transparent and accountable institutions. (END-OF-PROJECT—PARTICIPATORY EVALUATION Building Empowerment, Leadership, and Engagement (BELE) & Transition Engagement for Population Support II (TEPS II) Programs EAST TIMOR - John P. Mason, PhD.)

OUTPUT INDICATORS FOR TEPS II AND BELE PROGRAMS

The TEPS II and BELE programs had two goals. The first was to assist local populations in the rehabilitation of critical infrastructure, and the second was to promote long term income generation activities. Below are several quantitative output indicators which provide more information on the overall reach of the programs. The first lists the total number of people who benefited from infrastructure rehabilitated under TEPSII and BELE programs. The second and third provide

information on the number and type of projects supported through grants to local organizations and community groups.

# of men, women beneficiaries of 147 TEPS II and BELE grants	Total: 315,709. 123 grants have information disaggregating beneficiaries by gender indicating that of a total of 302,024 beneficiaries, 149,220 were women and 152,804 were men.
--	--

# and type of infrastructure improvements	Community Buildings	Markets	Roads	Schools	Sports Facilities	Water/ Sanitation	Miscellaneous	TOTAL
	18	9	16	32	11	28	3	117

# and type of income generating groups supported	Agro-processing	Fisheries	Brick making	Carpentry	Mechanic	Miscellaneous	TOTAL
	24	2	2	7	1	7	43

The success of the BELE program gave way to a new program – Economic Recovery and Income Generation. The BELE program provided inputs, mostly in the agriculture sector. A follow up strategy to maximize on these inputs and work with successful partners in identifying new activities was needed. The new program began shortly after the BELE program ended in early 2002.

II.2. CIVIL SOCIETY PROGRAM

Shortly after the post referendum violence, OTI/Indonesia staff made initial in-kind grants averaging \$25,000 each to 26 local NGOs and media organizations in East Timor, using the Jakarta-based SWIFT mechanism to implement the program. Donors (including USAID) had previously provided some type of support to most of these NGOs. The militias had destroyed the offices and equipment of most of the leading NGOs. For example a large building housing several prominent local NGOs was attacked and burned in early September 1999, forcing each organization to seek new office space once order was restored. With the loss of equipment and infrastructure, local NGOs were sidelined as international NGOs worked directly with donors and led the provision of humanitarian support. Local news offices were also destroyed.

Those interviewed during the September 2000 CDIE visit, saw this rapid response as important and constructive, enabling the local NGOs to become engaged quickly and more effectively with the UN agencies, donors, and international NGOs in reconstruction and nation building efforts.

Aimed at strengthening civil society's capacity for participation, OTI also began to provide additional grants for reconciliation, civic education, women's rights, and good governance efforts. Given the relative absence of an active civil society in East Timor under Indonesia, the effort required longer term capacity building. OTI also continued to

promote mechanisms for building greater NGO coordination. The total funding provided to organizations through the civil society program was \$2,061,074.

As of December 2001, an initial 44 of the 87 organizations that had received OTI funding had received start-up grants designed 1) to enable local organizations to participate in the process of reconstruction and 2) to strengthen the civil society sector in East Timor.

Following is a representative group of some of the NGOs receiving initial funding:

NGOs Receiving Start-up Grants	
Organizations	Description
BIA HULA	Bia Hula provides technical assistance to rural populations in health, water and sanitation sectors.
Caritas Baucau	Caritas Baucau is a non-governmental organization that assists in community development.
CDHTL	CDHTL is a non-government institution that is involved in human rights.
DSMTL	DSMTL is a group of East Timor university students that promotes democracy and reconciliation.
ETADEP	ETADEP is East Timor's longest established NGO and is involved in sustainable agriculture development, primarily helping rural communities.
ETWAVE	ETWAVE is a non-governmental organization that works to stop all types of violence against women and children, to provide advocacy, counseling and justice.
GFFTL	GFFTL is a non-governmental organization that is involved in literacy campaigns and training activities for women.
FAT	FAT is a non-government and non-profit organization that is involved in agriculture, and water and sanitation.
FOKUPERS	FOKUPERS is a local women's rights organization.
IMPETTU	IMPETTU was formed by East Timorese students studying in Indonesia as a student organization that then was transformed to resistance organization. It is now focused on community education.
PAS	PAS is involved in providing health services primarily to people who have difficulties in accessing health services provided by government clinics.
Yayasan HAK	HAK is a non-governmental organization that provides legal aid services, undertakes advocacy and education on human rights and legal issues
RENETIL	RENETIL is a resistance organization composed of East Timorese students and youth during the Indonesian period. This organization supports human rights issues.
SAHE	SAHE is a non-governmental organization that undertakes research and translation, and promotes community participation in political decision-making.
YATINA	YATINA is a non-profit organization that provides services to people through social, economic, and cultural activities.

In November 2000, an umbrella organization of local NGOs known as the NGO Forum was funded by OTI to manage an information technology center that provides computer training, repair services, and an Internet café. Given the lack of local commercial outlets for computer repair and maintenance, the repair and training services are critical for local groups. The project benefits other OTI grantees, as OTI cooperates with the Forum to

provide basic training and orientation as a component of new grants. The Forum continues to provide services to the NGO community.

OTI also provided funding to a local organization in Covalima District called “Violence Free Communities” in February 2001. The group ran a community sensitization campaign throughout the border district in which 20 facilitators lead community discussions in 44 villages over an eight-week period. The discussions focused on community violence including past human rights violations, current domestic violence, and methods of preventing potential conflicts over political views or property disputes. The group aims to empower communities to reduce the level of conflict in their villages and develop a sense of responsibility for dealing with violence, as well as to support victims of violence. Unlike many activities by Timorese human rights groups, the campaign focused not only on human rights violations associated with the Indonesian occupation, but also on domestic and political violence in contemporary East Timor. The issue of domestic violence is receiving increasing attention from Timorese women’s groups, human rights organizations, and the police.

OTI funded the women’s organization Fokupers to produce the local language Tetum version of “Buibere – The Voice of East Timorese Women”. The book was first published in English to bring international attention to the violence women suffered under the Indonesian military regime. In the book, women tell their own stories of rape, murder of family members and sexual abuse. The Tetum version will be used all over East Timor by Fokupers and other organizations in counseling/outreach activities and as a community resource for trauma counseling, women's rights advocacy, education, and grassroots self-healing programs. While the number of rape victims in East Timor throughout the years of Indonesian occupation is impossible to calculate, it is estimated that every family of East Timor has been affected.

In April 2001, Higher Institute of Economics and Management (ISEG) held a training on civic education with OTI support from May 10-12, 2001 in Dili for over 600 students. The training session included the development of a civic education manual in Bahasa Indonesia and Tetum languages on basic principles of democracy. ISEG deployed 442 students by the end of May to all the sub-districts of East Timor to provide basic civic education on the fundamentals of democracy in preparation for the consultative process prior to drafting the new Constitution.

OTI supported two organizations working to strengthen the justice sector, the Judicial System Monitoring Program and the Independent Legal Aid group. The Monitoring Program staff observes many of the current cases in court and provides an analysis of the newly developed judicial system. Through the provision of legal analysis and thematic reports on the development of the judiciary, this independent group has been able to provide recommendations for ongoing reform and targeted assistance. The Legal Aid group provides free legal counseling to those in need, providing an important supplement to the Public Defenders’ Office. Both groups focus on providing information to the public about the law and judicial process. Again in the justice sector, OTI made a grant to the Coalition for International Justice to conduct an outreach program to better inform

communities about the work of the Serious Crimes Investigation Unit and to report progress on bringing to justice perpetrators of the most serious violence during the 1999 referendum. Creating awareness of the progress of the investigations and trials is critical to creating community confidence in the judicial process and avoiding future reprisals and unrest.

In December 2001 OTI also made a grant to The Carter Center to carry out community level activities surrounding rule of law. These activities included community level meetings to share information about the judicial system, legal issues, and traditional conflict resolution mechanisms. OTI also supported a consortium of local NGOs in Aileu District to establish the Aileu Human Rights Center, which will provide training and resources to local organizations carrying out human rights related activities.

Due to the increased interest and vitality demonstrated by civil society organizations, the OTI civil society program has expanded to include rule of law and local governance programmatic areas.

II.3. MEDIA PROGRAM

The post referendum conflict destroyed much of the media's buildings and equipment. When OTI began working in East Timor in 1999, there were no surviving commercial media outlets and only very limited technical and production capacity. OTI was the only donor to invest substantially and quickly in East Timor's media sector, and played a key role not only in providing support but also in fostering coordination among media donors and training organizations. OTI's media program strategy called for an expanded effort to strengthen transparency and increase access to information on the nation building effort. Support activities provided to numerous media organizations included training for journalists and media administrators, provision of equipment and materials, and funding of operating costs. During the period November 1999 to December 2001 the Media program provided 61 grants for a total of \$1,141,751, including support for the start-up of 15 papers, bulletins, magazines, and radio stations. As in other areas, OTI faced the dilemma of achieving a balance between short-term, quick impact activities and building the needed capacity for sustainability.

A very successful media training activity in late December 1999 was attended by 30 East Timorese media professionals. Nobel Peace Laureate and CNRT Vice-President Dr Jose Ramos-Horta was the guest-of-honor at the training, which made international news (December 19 The Australian and December 22 AFP articles). On December 22, 1999, at the end of the 5-day workshop, participants drafted a declaration for the formation of the Timor Lorosae Journalists Association (TLJA).

Interviews with representatives from UNTAET, the World Bank, other donors, and participating NGOs indicated that OTI involvement in the media sector was important and constructive. The initial training for journalists helped develop skills and build

collegiality. For example, in-kind assistance for equipment, vehicles, and supplies, and short-term funding for salaries, the Timor Post was able to start operations in the beginning of 2000. A later grant helped the paper expand its daily print run of 1,000 copies from two days to six days a week. OTI also provided assistance to support radio programming. Eventually, OTI, collaborating with Canada, financed spare parts, engineering assistance, materials, and operating costs to develop The Print Consortium that would provide printing services for members at a reasonable cost.

OTI-SWIFT support to the media, as with other initiatives, was more quickly initiated than that of other donors. Its ability to act (not just study the problem) was clearly appreciated in the media area. According to those interviewed, the media program responded to the East Timorese “hunger” for information. Support for the media continued to be an important need as the country moved toward elections and further nation building. Over the longer term, financial sustainability remained an issue for the consortium and other media organizations. OTI recognized the importance of encouraging advertising and other means to help build sustainability, although the benefit of providing information may diminish the importance of sustainability in the short and medium term. From the outset media organizations were encouraged to make themselves sustainable through increased sales and advertising revenues.

In October 2000, returning refugees from border areas in West Timor confirmed that people are listening to broadcasts from the OTI-supported radio station in Maliana, near the border. UNHCR used the station for greater information dissemination to the refugees in West Timor allowing them to decide whether to return based on objective information.

Following are several areas of OTI intervention that were particularly successful:

1. Journalist Association

The Timor Lorosae Journalist Association (TLJA), with assistance from a number of organizations, including the Southeast Asian Press Alliance (SEAPA), USAID and APHEDA, Internews, and UNESCO has taken a leading role in lobbying for free press protections in the constitution and has been recognized internationally as a representative of East Timor’s journalists. Founded in late 1999, TLJA had a very successful first congress in January 2001, drawing nearly every journalist in East Timor to its ranks. TLJA has opened an office, maintained links with the international press freedom advocacy community and begun a modest program of seminars on journalist protection and constitutional education. With independence approaching and troubling constitutional problems already identified, East Timor needs a strong journalist association and it is hoped that more journalists will become active on these issues.

2. District Reporters

A real bright spot in the media sector’s staffing and training picture is the district reporting program. Begun as a joint effort of USAID, UNTAET and the World Bank-

CEP in August 2001, 32 reporters were subsequently trained by Radio UNTAET and Internews and have taken up posts in the districts as stringers for Radio UNTAET. Most observers rate this program as highly effective. Originally, this program was designed to provide a core of personnel for community radio, however, given that before its existence there were virtually no reporters outside of Dili, the district reporters have become an invaluable part of Radio UNTAET. A lack of funding in the future makes their status uncertain and USAID is funding 16 of the original 32 reporters through September 2002.

3. Newspaper Distribution

Recognizing the immense need for information in East Timor's districts outside Dili, OTI partnered with two newspapers, Suara Timor Lorosa'e and the Timor Post, and two magazines, Lian Maubere and Talitakum to provide subsized copies of the publications to health posts and churches outside Dili. While the two newspapers delivered the papers themselves, the two magazines were able to access the UNTAET public information distribution networks. The newspaper distributions provided information surrounding the elections and the drafting of the constitution to communities which otherwise had no access to print media.

4. Journalist Visits

During April 2001, the OTI media program supported another visit to East Timor by West Timorese and Indonesian journalists. UNHCR facilitated the visit in coordination with the Timor Lorosa'e Journalists Association. After arriving in Dili, the journalists went to Baucau, Los Palos, and Manatuto to interview new returnees, particularly people formerly connected to the Indonesian military. Such journalist visits have proven effective in improving the accuracy of reports about East Timor in the West Timorese media, assisting refugees to make informed choices about returning to East Timor. Interviews with returning refugees have shown that accurate information is an important factor in the decision to return. In addition to the journalist visits, OTI also subsized the distribution of newspapers in West Timor, to give refugees access to news and visual images of the changes taking place in East Timor.

OUTPUT INDICATORS FOR CIVIL SOCIETY AND MEDIA PROGRAMS

Both media and civil society programs focused on funding activities which promoted the widespread distribution of objective information whether through media outlets or through civil society organizations. Although the number of beneficiaries is greater than the total population of East Timor, it must be noted that some of the same beneficiaries benefited from several of the projects using print as well as radio to deliver the information. The geographic coverage for these projects is quite expansive assuring that most of the East Timorese population benefited from the project generated information.

# of women, men beneficiaries of grants funding the dissemination of objective information projects	Activities from 87 grants reached an estimated 950,541 people. Out of the total above 430,121 were women and 520,420 were men.
---	--

As a complement to the dissemination of objective information, OTI funded 10 grants aimed at training media professionals. These training sessions provided critical guidance to media professionals regarding the quality improvement of the information being distributed through media outlets. The table below summarizes the outputs of the media training activities.

# of women, men beneficiaries from media training	There were 465 people trained through 10 grants. The grantees were Timor Aid, Print Consortium, Radio UNTAET, Internews, and TVTL. Eight of the grants with gender information provided training to 428 people, 109 were women and 319 were men.
---	--

II. 4. SUMMARY OF POLITICAL TRANSITION GRANTS

A comparative analysis of grants approved by program category shows much greater absorption capacity in the Employment and Governance categories. It is important to highlight the fact that these program areas were implemented in collaboration with the UNTAET administration. UNTAET administrative and financial systems, which reached to the district level, provided the management capacity and financial accountability necessary for the administration of larger grants.

On the other hand, the Community Stabilization, Civil Society and Media program areas worked primarily with small groups through in-kind grants. Civil society organizations in East Timor have not had the opportunity to develop during the Indonesian period, which was characterized by centralized government control. This constraint has made grant implementation and management quite a challenge. The future of funding small local organizations will continue to require close and on-going follow-up in grant implementation. The DAI grants mechanism is designed to provide procurement assistance to small organizations that do not have the management and financial systems in place to allow them to receive grants in cash.

PROGRAM CATEGORY	Total in \$millions	Number of Grants
EMPLOYMENT – TEP	4.42	62
COMMUNITY STABILIZATION (includes TEPS II and BELE grants)	2.25	147
CIVIL SOCIETY	2.06	92
GOVERNANCE	0.89	15
MEDIA	1.14	61
TOTALS	10.76	377

DAI completed 97.67% of all approved Political Transition Grants. Of 386 grants only 9 were withdrawn, all before any disbursements were made. Annex I provides a list of all approved grants. The 386 grants represent an average of 1 grant approval every 1.13 workday during the 25 month period.

Annex II provides financial information for both East Timor and Indonesia grants programs. The total expenditures for the grants section in the chart are for both East Timor and Indonesia combined.

More detailed information on grant approvals can be found in the following annexes: Annex III shows the number of grants awarded by quarter. Annex IV provides information on the total dollar amount awarded through approved grants by quarter. The last, Annex V is a chart of total quarterly disbursements. There is a discrepancy between the grant award amount and actual disbursements. The grant award reflects the amount that was budgeted in the grant proposal. During the implementation phase, DAI followed a rigorous competitive bids process for all procurement. This often resulted in the procurement of goods that cost below the original budgeted amounts.

III. GRANTS IMPLEMENTATION

Grant Development Process

Three hundred seventy-seven grants were jointly identified by the OTI Country Representative and DAI Program staff. As activities were presented, whether in written or verbal form, program staff worked with potential grantees in preparing grant proposals. The proposals were then discussed with the OTI Country Representative, and if found to follow program guidelines, they were approved.

The grant proposal development process was often quite involved. Program managers and their staff were required to work many hours with potential grantees explaining how to write proposals including writing activity descriptions, activity plan preparation, and budgeting.

Grant Procurement and Delivery System

The vast majority of the 377 grants were provided in kind. Equipment and construction materials had to be procured from outside of the country since practically all merchants in East Timor had fled the violence in 1999. A procurement system, which complied with federal acquisition regulations, was put in place and thousands of items were ordered and delivered with a 30-40 day turn around period. Once items arrived in East Timor, a team of 5 DAI logisticians assured the delivery of the items to each grantee in all 13 districts, including the enclave of Oecusse.

While the logistics team assured that each load of materials reached the intended grant recipients, a team of four Grants Managers tracked each grant by budget line item in order to assure that each grant recipient received all of the items ordered on their behalf. Grants Managers also worked closely with Program Managers in monitoring the grant activities. This monitoring function was especially important for rehabilitation and construction activities, which required frequent visits.

The in kind grant mechanism, as described above, has allowed OTI to assist small and nascent organizations who otherwise would not be able to receive funding from USAID given regulations requiring that grant recipients have well established financial and management systems in place. Also, the procurement, shipping, and delivery services provided by DAI finance and logistics operations are often beyond the capacity and financial resources of small fledgling civil society organizations and community groups.

IV. LESSONS LEARNED

This review of the programs funded through the OTI-SWIFT program between November 1999 and December 2001 validates lessons learned as identified early on by the CDIE team in their evaluation of the program. Those lessons are the following:

OTI's rapid response played a valuable role by filling a major gap during the early post conflict period when the potential for instability was greatest. The civil society, employment, and media initiatives implemented during the first year were effective in jump-starting reconstruction and building capacity in a seriously devastated environment.

The East Timor experience teaches the following key lessons:

1. Transition assistance has comparative advantages.

Transition assistance has particular advantages in a startup, multi-donor, post conflict situation such as existed in East Timor. In the aftermath of the referendum for independence and the ensuing conflict, USAID was the sole donor able to assess needs, target assistance, and initiate the reconstruction effort rapidly. Most international and bilateral organizations were unable to respond quickly and flexibly beyond the provision of basic humanitarian relief. By closely coordinating its assistance with other donors, OTI was able to get interim activities operating until funding from other donors became available. In this volatile environment, OTI's quick action was important to help stem further instability and economic deterioration.

2. The need for fast action may outweigh potential risks.

There is a tradeoff between rapid response and risk. Responding rapidly may be critical in a post-conflict situation to prevent further conflict or instability. The need for fast action may also outweigh the potential costs or risks. The challenge is to address critical needs while minimizing problems and side effects. OTI's quick provision of assistance to local NGOs effectively enabled the East Timorese to participate in initial reconstruction and nation building efforts.

However, the rapid response also led to implementation problems, including lack of maintenance capacity and spare parts for newly provided equipment and limited organizational capacity, and provoked concerns about recurring costs. On balance, the benefits of helping stem further political and economic deterioration outweighed the drawbacks, which OTI addressed over time.

3. OTI/East Timor proved a useful operating model.

OTI's successful operation in East Timor showed that it could serve as a distinct and useful model for coordinating USAID assistance in countries without a USAID country mission. OTI served as the on-the-ground presence for USAID in East Timor. It played a lead role in coordinating USAID assistance with the interim government, the in-country U.S. embassy officer-in-charge, other donors, and visiting USAID/Indonesia mission staff. The approach permitted USAID to play an important role in the territory without setting up a full in-country mission. It also minimized the in-country coordination and authority concerns observed in Nigeria and Indonesia, where OTI operated within a larger USAID mission. The applicability of the model elsewhere would depend on various factors, including the size of the country, U.S. foreign policy interests, and the nature of the USAID program.

4. The SWIFT contract enables a rapid response.

The SWIFT contract is especially effective for quick in-country startup, rapid procurement of commodities, and flexible programming. OTI used the Indonesia-based SWIFT DAI staff to help get its transition program in East Timor under way. SWIFT's capacity to rapidly develop specifications and procure goods and services enabled OTI to aid local NGOs and implement the highly praised employment program quickly and effectively. The SWIFT mechanism was especially well suited for providing assistance to districts where indigenous East Timorese capacity to manage local groups was often weak. The mechanism's flexibility allowed USAID to adjust programs and deadlines as needed to respond to changing situations. Other USAID entities could also use the SWIFT contract to implement transition activities.